



Los Angeles County AUDIT COMMITTEE

Louisa Ollague, Chair
1st District
Brence Culp, Vice Chair
3rd District
Clinton Tatum
2nd District
Rick Velasquez
4th District
Angela Mazzie
5th District

AUDIT COMMITTEE MEETING MINUTES July 1, 2004

Chairperson Louisa Ollague called the meeting to order at 1:40 p.m. in the Conference Room of Room 525 at the Kenneth Hahn Hall of Administration.

Committee Members Present

Louisa Ollague, First District
Clinton Tatum, Second District
Angela Mazzie, Fifth District

Committee Members Absent

Brence Culp, Third District
Rick Velasquez, Fourth District

Others in Attendance

Sandra K. Taylor, Department of Human Resources
Evangeline V. Ross, Office of Affirmative Action
DeWitt Roberts, Auditor-Controller
Jim Schneiderman, Auditor-Controller
Rone' C. Ellis

Daniel Medrano, ISD
Debbie Cabreira Johnson, OSB
Martha Littlefield, Executive Office
Ken Wales, Executive Office

Approval of Minutes

On motion of Angela Mazzie, seconded by Clinton Tatum, the Committee unanimously approved the May 20, 2004 minutes.

Old Business

Olive View Medical Center Procurement Follow Up Review. Follow-up on the February 5, 2002 report to assess the Center's Procurement operations implementation of the 22 recommendations determined 12 were implemented, 7 were partially implemented and 3 were not implemented. **This item is continued to the July 15, 2004 meeting and an Olive View Medical Center representative will be asked to attend.**

Group Home Program Report – Jay Cee Dee Children's Home, Barga Way and Loma Alta Sites. Review of two group homes verified the agencies were not complying with a number of contract requirements outlined in their program statements. The Auditor-Controller will conduct a full follow-up review and report back by the end of this month. **This item is continued to the August 19, 2004 meeting.**

Management Audit of the Agricultural Commissioner/Weights and Measures. Management audit performed by Strategica, Inc. outlined recommendations regarding scope, recruitment, automation of workload, scanner program, and consumer protection. The Department concurs with the findings and will provide a corrective strategy for implementation by July 15th. **This item is continued to the August 19, 2004 meeting.**

Sunset Review of Board Policy No. 3.040 – Destruction and Disposition of Old Records. Pertains to the destruction of old records. The Chief Administrative Office is reviewing information for new policy to be available within the next two years, but until that time recommends extending the sunset date to March 31, 2006. **This item is continued to the**

July 15, 2004 meeting to allow a Chief Administrative Office representative to attend and clarify the request.

Department of Children and Family Services – Child Support Trust Account Review. On December 3, 2002, the Department provided the Board a corrective action plan for 12 recommendations contained in the Auditor-Controller's November 7, 2002 report. To date, five were fully implemented, 4 were partially implemented, 1 was not implemented, and 1 is no longer applicable. **On motion of Louisa Ollague, seconded by Angela Mazzie, the Committee approved requesting a response letter from DCFS on the outstanding six recommendations within 60 days.**

Sunset Review of Board Policy No. 9.101 – Sexual Harassment Prevention Training for Managers and Supervisors. Requires a statement to be signed by all County managers and supervisors acknowledging they understand the County's policy on sexual harassment, that they will adhere to it and ensure proper training of all County managers and supervisors. Committee members asked representatives about the County's dating policy. Representatives stated the County does not have a policy at this time; however, the Sexual Harassment Training Program discourages relationships between supervisors and subordinates. The Department of Human Resources is in the process of developing a code of conduct which will have a section covering this issue. **On motion of Clinton Tatum, seconded by Angela Mazzie, the Committee unanimously approved extending the sunset review date to May 21, 2008.**

Reports to be Received and Filed

Fraud Hotline Status Report. Report outlines handling of new investigations for January 1, 2004 through March 31, 2004. **On motion of Clinton Tatum, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing this report.**

Auditor-Controller Correspondence to the California Department of Aging. Response to the findings of a report requested by the California Department of Aging. **On motion of Clinton Tatum, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Children's Therapeutic Communities, Inc., Beta House, Gamma House, and Rho House. Review of three group homes verified the homes are providing the services outlined in their program statements and there are no areas that needed improvement. **On motion of Clinton Tatum, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Turmont Home for Boys. Review verified the agency is providing the services outlined in its program statement with some areas requiring attention. The agency's management will provide a corrective action plan within 15 business days from the receipt of this report. **On motion of Clinton Tatum, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Halinor Homes, Inc., Halinor 2. Review of a group home verified it is providing the services outlined in its program statement with some areas requiring attention. The agency's management will provide a corrective action plan within 15 business days from the receipt of this report. **On motion of Clinton**

Tatum, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing this report.

Los Angeles County Fair Association Audit Report for 2002. Conrad and Associates, LLP was contracted to audit the rent paid to the County by the Los Angeles County Fair Association for the year ended December 31, 2002. Conrad found that the Association had properly computed and paid its rent to the County. **On motion of Clinton Tatum, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing this report.**

Beta Foster Family Agency Contract Review. Compliance review determined the agency is providing the services outlined in its program statement. Agency agreed with the findings and will submit a corrective action plan including timeframes within thirty days. **This item is continued to the July 15, 2004 meeting.**

Hoover Elementary School After-School Enrichment Program Contract. Contract review of a Los Angeles Unified School District service provider from July 2003 through February 2004 verified the contractual services are being met. **On motion of Clinton Tatum, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing the report.**

Pinewood Elementary School After-School Enrichment Program Contract Review. Contract review of a Los Angeles Unified School District service provider from July 2003 through February 2004 verified the contractual services are being met. **On motion of Clinton Tatum, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing the report.**

International Institute of Los Angeles Contract Review. Contract compliance review verified the agency is providing the services outlined in its contract. **On motion of Clinton Tatum, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing the report.**

Group Home Program Monitoring Report – Cunningham Group Home. Review verified the agency is providing the service but needs a few modifications and is required to provide a corrective action plan to the Children's Group Home Ombudsman within 15 business days of receipt of this letter. **On motion of Clinton Tatum, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing the report.**

Reports Received

County of Los Angeles Single Audit Report FY 2002-2003. The County's response to the findings of the outside audit performed by KPMG, LLP on the prior year and recommendations for FY 2001-2002. **On motion of Clinton Tatum, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Audit Report on County Grant Operations. Grant compliance audit report on Los Angeles County's operations for fiscal year 2002-2003. No material non-compliance or internal control weaknesses were noted. **On motion of Clinton Tatum, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Audit Report on County Fiscal Operations. Annual review of the County's financial internal controls performed by KPMG, LLP provided recommendations for consideration

by the Auditor-Controller. **On motion of Clinton Tatum, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Sunset Review of Board Policy #9.020 Employee Accountability. Establishes a high and uniform standard of accountability for employees at all levels of County government. **This item is continued to the July 15, 2004 meeting.**

Armenian Evangelical Social Services Center Contract Review. Contract compliance review verified the agency was significantly out of compliance with its contractual requirements. The agency disagreed with the findings. DCSS was notified of the review and will work with the agency to resolve the areas of noncompliance. A report to the Board of Supervisors is due within 60 days of this report. **This item is continued until the report is received.**

Countywide Contract Monitoring Project. The Board of Supervisors directed the Auditor-Controller to determine whether contract monitoring for departments with social services could be improved. The Auditor-Controller reported to the Board three options to improve the County's contract monitoring. **On motion of Clinton Tatum, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing the report.**

Oldtimers Foundation Contract Review. Review of a nutrition provider. The provider disagreed with Auditor-Controller's findings. DCSS will monitor the provider to ensure the contract noncompliance areas are resolved and will issue a report on the corrective action taken within 60 days. **On motion of Clinton Tatum, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing the report.**

Sunset Review for the Los Angeles County Highway Safety Commission. **On motion of Clinton Tatum, seconded by Louisa Ollague, the Committee unanimously approved extending the sunset review date to October 31, 2007.**

Community Employment Project Contract Review. Contract compliance review of the Refugee Immigrant Training and Employment Program (RITE) service provider determined the agency was significantly out of compliance with its contractual requirements. The agency disagreed with the findings. **This item is continued to the July 15, 2004 meeting.**

Sunset Review Board Policy No. 4.030 Budget Policies and Priorities. Policy establishes priorities to assist departments in preparing budget requests. **This item is continued to the July 15, 2004 meeting.**

Sunset Review of Board Policy #5.150 – Oversight of Information Technology Contractors. The Chief Information Office and the Internal Services Department developed an automated database to track the performance of all County information technology contractors. The CIO, ISD, and the Auditor-Controller will assist departments in reviewing and evaluating contractor information. The CIO will be the responsible department. **On motion of Clinton Tatum, seconded by Angela Mazzie, the Committee unanimously approved extending the sunset review date to December 31, 2008.**

Sunset Review of Board Policy #6.020 – Chief Information Office Board Letter Approval. To achieve maximum integration and efficiency in the implementation of information management systems, the Chief Information Officer must review all requests concerning the approval of actions related to design, acquisition, expansion, or purchase of automated systems as well as consultant agreements for computerized-based or

telecommunications related software, equipment or services prior to finalizing such acquisitions or agreements. **This item was continued to the July 15, 2004 meeting. A representative from the Chief Information Office will be invited to attend.**

Review of Jay Cee Dee Children's Home, Incorporated – A Group Home Foster Care Contractor. The review found ineligible expenditures and unsupported expenditures along with poor internal controls over check disbursement. The agency will provide DCFS with a written corrective action plan within 30 days of the report date. **On motion of Louisa Ollague, seconded by Clinton Tatum, the Committee unanimously approved receiving and filing this report.**

Sunset Review Board Policy No. 5.020 Reporting Response For Bids/Contracts Over \$10,000. Defines the use of the County's Office of Small Business in the procurement process. Ensures all Board letters proposing a contract award over \$10,000 incorporate language indicating the bid/contract opportunity was listed on the County's OSB web site as part of the procurement process. **On motion of Angela Mazzie, seconded by Clinton Tatum, the Committee unanimously approved the extension of the sunset review date to July 18, 2007.**

Other

Audit Committee Correspondence Requiring Response. Department of Public and Social Services provided its response to the Welfare Fraud Prevention Program Review – Quarterly Report. **This item was continued to the July 15, 2004 meeting.**

Contract Monitoring Coordination among Social Services Departments and the Auditor-Controller. **This item was incorporated into the discussion of agenda item V.c.**

Public Comment

There was none.

Matters not on the posted agenda to be presented and placed on the agenda of a future meeting.

There was none.

Adjournment

There being no further business to conduct, the meeting was adjourned at 2:40 p.m.